

Substitute Bill No. 5524

February Session, 2006

_____HB05524ET_APP031406____

AN ACT CONCERNING HOME HEATING ASSISTANCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Section 1 of public act 05-2 of the October 25 special
- 2 session, is repealed and the following is substituted in lieu thereof
- 3 (Effective July 1, 2006):
- 4 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
- 5 general statutes, the Commissioner of Social Services shall [amend the
- 6 adopted] <u>adopt a</u> low income home energy assistance program block
- 7 grant allocation plan for the [purpose of modifying the 2005/2006]
- 8 <u>2006/2007</u> Connecticut energy assistance program state plan in the
- 9 following manner: (1) To increase the basic benefit provided to all
- 10 eligible households, including eligible households whose heat is
- 11 included in their rent, over the benefit provided for the 2005/2006
- 12 plan, as amended, by two hundred dollars, (2) to fund, for the fiscal
- 13 <u>year ending June 30, 2007,</u> the contingency heating assistance program
- 14 under the Connecticut energy assistance program to provide a three
- 15 hundred dollar basic benefit to eligible households, as defined in the
- 16 Connecticut energy assistance program state plan, whose gross annual
- 17 income is not more than sixty per cent of the median state income by
- 18 household size, and an additional two hundred dollar crisis assistance
- 19 benefit for such households who have exhausted their basic benefit
- 20 and are unable to secure primary heat, causing a life threatening

- 21 situation, (3) to increase the number of households weatherized
- 22 pursuant to the Connecticut energy assistance program, and (4) to
- 23 increase the number of households receiving home heating equipment
- 24 tune-ups and home energy efficiency measures pursuant to the home
- 25 energy assistance and reimbursements for tune-ups on heating
- 26 equipment grant program as administered pursuant to subsection (c)
- 27 of section 2 [of this act] <u>public act 05-2 of the October 25 special</u>
- 28 session, as amended by section 1 of public act 05-4 of the October 25
- 29 special session and this act.
- 30 Sec. 2. Section 2 of public act 05-2 of the October 25 special session,
- 31 as amended by section 1 of public act 05-4 of the October 25 special
- 32 session, is repealed and the following is substituted in lieu thereof
- 33 (Effective July 1, 2006):
- 34 (a) For purposes of this section:
- 35 (1) "HEARTH program" means the home energy assistance and
- 36 reimbursements for tune-ups on heating equipment grant program, as
- 37 established by this section;
- 38 (2) "Eligible contractor" means a contractor, as defined in section 20-
- 39 330 of the general statutes, licensed pursuant to chapter 393 of the
- 40 general statutes, a public service gas technician, as defined in section
- 41 20-540 of the general statutes, a gas company, as defined in section 16-1
- of the general statutes, as amended by sections 1 and 2 of public act 05-
- 43 1 of the June special session, an electric distribution company, as
- 44 defined in said section 16-1, or a municipal utility; and
- 45 [(3) "Eligible good or service" means home heating equipment
- 46 tuneups or the installation or provision of water heater blankets,
- 47 window film or programmable thermostats; and]
- [(4)] (3) "Secretary" means the Secretary of the Office of Policy and
- 49 Management.
- 50 (b) The Secretary of the Office of Policy and Management, in

- 51 conjunction with the Commissioner of Social Services, shall establish a
- 52 home energy assistance and reimbursements for tune-ups on heating
- equipment grant program for the fiscal year ending June 30, 2006.
- 54 Pursuant to such program, the secretary shall reimburse [an eligible
- 55 contractor] a customer in an amount not exceeding fifty dollars per
- 56 household for [an eligible good provided or eligible service] each tune-
- 57 <u>up</u> performed.
- 58 (c) The commissioner shall administer the HEARTH program for
- 59 households that are eligible for the Connecticut energy assistance
- 60 program, as amended by the provisions of section 1 of public act 05-2
- of the October 25 special session, in accordance with Connecticut
- 62 energy assistance program procedures for households heating with
- 63 deliverable fuels or natural gas.
- (d) (1) The secretary shall administer the HEARTH program for
- 65 households that are not eligible for the Connecticut energy assistance
- program, as amended by the provisions of section 1 of public act 05-2
- of the October 25 special session. The secretary may, subject to the
- 68 provisions of chapter 67 of the general statutes, employ such agents,
- 69 assistants and employees as he or she deems necessary to carry out the
- 70 provisions of this section. The secretary may adopt regulations, in
- 71 accordance with the provisions of chapter 54, to implement the
- 72 provisions of this section.
- 73 (2) Households that do not qualify for the Connecticut energy
- 74 assistance program, as amended by the provisions of section 1 of
- public act 05-2 of the October 25 special session, may request from the
- secretary a prequalification certificate for not more than fifty dollars [of
- 77 eligible goods or services. An eligible contractor] <u>for a tune-up. A</u>
- 78 <u>customer</u> shall not apply to the secretary for reimbursement pursuant
- 79 to the HEARTH program for eligible goods and services unless the
- 80 [eligible contractor] <u>customer</u> submits such certificate, along with a
- 81 copy of the invoice, with its application to the secretary.
- 82 (e) An eligible contractor [that submits an application pursuant to

- 83 the HEARTH program] shall not charge the subject customer 84 participating in the HEARTH program a price for a [good or service] 85 tune-up that is in excess of a price for the same good or service for a customer who does not have a prequalification certificate for the 86 87 HEARTH program or who is not eligible for the Connecticut energy 88 assistance program, as amended by the provisions of section 1 of 89 public act 05-2 of the October 25 special session. [Eligible contractors 90 who will receive reimbursement pursuant to this program shall deduct 91 the amount of such reimbursement from any invoice provided to the 92 subject customer for the eligible good or service.] Failure to comply 93 with the provisions of this subsection shall be deemed to be an unfair 94 trade practice within the provisions of chapter 735a of the general 95 statutes.
- Sec. 3. Section 4 of public act 05-2 of the October 25 special session, as amended by section 2 of public act 05-4 of the October 25 special session, is repealed and the following is substituted in lieu thereof (*Effective April 1, 2006*):
- 100 (a) For purposes of this section, "residential weatherization 101 products" means programmable thermostats, window film, caulking, 102 window and door weather strips, insulation, water heater blankets, 103 [water heaters,] natural gas and propane furnaces and boilers that 104 meet the federal Energy Star standard, windows and doors that meet 105 the federal Energy Star standard, oil furnaces and boilers that are not 106 less than [eighty-five] eighty-four per cent efficient and [ground-based] 107 ground-source heat pumps that meet the minimum federal energy 108 efficiency rating.
 - (b) Notwithstanding the provisions of the general statutes, from November 25, 2005, to [April 1, 2006] March 31, 2007, the provisions of chapter 219 of the general statutes shall not apply to sales of any residential weatherization products.
- Sec. 4. Section 7 of public act 05-2 of the October 25 special session is repealed and the following is substituted in lieu thereof (*Effective July*

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- 115 1, 2006):
- 116 (a) The Secretary of the Office of Policy and Management, in
- 117 conjunction with the Commissioner of Social Services, the
- 118 Commissioner of Mental Retardation, the Commissioner of Mental
- 119 Health and Addiction Services and the Commissioner of Children and
- 120 Families, shall implement a program to provide supplemental
- 121 compensation for heating costs for the fiscal year ending June 30,
- 122 [2006] 2007, to residential facilities that are supported by state funds,
- 123 including, but not limited to, nursing homes, which facilities are
- distressed as a result of rising energy costs, as determined by the
- 125 secretary.
- (b) The secretary shall coordinate payment procedures pursuant to
- 127 this section with the commissioner who has jurisdiction over the
- subject residential facility.
- Sec. 5. Section 8 of public act 05-2 of the October 25 special session
- is repealed and the following is substituted in lieu thereof (*Effective July*
- 131 1, 2006):
- The sum of two million dollars is appropriated to the Office of
- 133 Policy and Management, from the General Fund, for the fiscal year
- ending June 30, [2006] 2007, for the purpose of section 7 of [this act]
- public act 05-2 of the October 25 special session.
- 136 Sec. 6. (Effective from passage) The Connecticut Energy Advisory
- 137 Board shall, in consultation with the Commissioner of Social Services,
- 138 the Low Income Energy Advisory Board, and the Secretary of the
- 139 Office of Policy and Management, evaluate the effectiveness of the
- programs established or expanded by the provisions of sections 1 to 5,
- inclusive, of this act, in alleviating the impact of increased home
- heating costs during the 2006 to 2007 winter season on low and middle
- income households and residential facilities that are supported by state
- 144 funds. Not later than January 1, 2008, the board shall submit a report
- 145 containing the results of the evaluation, including, but not limited to,

recommendations for further legislation, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and social services.

- Sec. 7. Subsection (b) of section 16a-41a of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):
- 153 (b) The Commissioner of Social Services shall implement a program to purchase [number two home heating oil at a reduced rate for low-154 155 income households participating in the Connecticut energy assistance 156 program and the state-appropriated fuel assistance program. Each 157 agency administering a fuel assistance program shall submit reports, 158 as requested by the commissioner, concerning pricing information 159 from vendors of number two home heating oil participating in the 160 program. Such information shall include, but not be limited to, a 161 vendor's regular retail price per gallon of number two home heating 162 oil, the reduced price per gallon paid by the state for the heating oil, 163 the number of gallons delivered to the state under the program and the 164 total savings under the program due to the purchase of number two 165 home heating oil at a reduced ratel deliverable fuel for low-income 166 households participating in the Connecticut energy assistance program 167 and the state-appropriated fuel assistance program. The commissioner 168 shall ensure that all fuel assistance recipients are treated the same as 169 any other similarly situated customer and that no fuel vendor 170 discriminates against fuel assistance program recipients who are under the vendor's standard payment, delivery, service or other similar 171 172 plans. The commissioner shall take advantage of programs offered by 173 fuel vendors that reduce the cost of the fuel purchased, including, but 174 not limited to, fixed price, capped price, prepurchase or summer-fill 175 programs that reduce program cost and that make the maximum use of program revenues. The commissioner shall ensure that all agencies 176 177 administering the fuel assistance program shall make payments to 178 program fuel vendors in advance of the delivery of energy where

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- vendor provided price-management strategies require payments in advance.
- 181 (c) Each community action agency administering a fuel assistance program shall submit reports, as requested by the Commissioner of 182 183 Social Services, concerning pricing information from vendors of 184 deliverable fuel participating in the program. Such information shall 185 include, but not be limited to, the state-wide or regional retail price per 186 unit of deliverable fuel, the reduced price per unit paid by the state for 187 the deliverable fuel in utilizing price management strategies offered by program vendors for all consumers, the number of units delivered to 188 189 the state under the program and the total savings under the program 190 due to the purchase of deliverable fuel utilizing price-management 191 strategies offered by program vendors for all consumers.
- (d) Each community action agency administering a fuel assistance
 program shall begin accepting applications for the program not later
 than September first of each year.
- 195 Sec. 8. Section 16-262c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
 - (a) Notwithstanding any other provision of the general statutes no electric, electric distribution, gas, telephone or water company, no electric supplier or certified telecommunications provider, and no municipal utility furnishing electric, gas, telephone or water service shall cause cessation of any such service by reason of delinquency in payment for such service (1) on any Friday, Saturday, Sunday, legal holiday or day before any legal holiday, provided such a company, electric supplier, certified telecommunications provider or municipal utility may cause cessation of such service to a nonresidential account on a Friday which is not a legal holiday or the day before a legal holiday when the business offices of the company, electric supplier, certified telecommunications provider or municipal utility are open to the public the succeeding Saturday, (2) at any time during which the business offices of said company, electric supplier, certified

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telecommunications provider or municipal utility are not open to the public, or (3) within one hour before the closing of the business offices of said company, electric supplier or municipal utility.

(b) (1) From November first to [April fifteenth] May first, inclusive, no electric or electric distribution company, as defined in section 16-1, as amended, no electric supplier and no municipal utility furnishing electricity shall terminate or refuse to reinstate residential electric service in hardship cases where the customer lacks the financial resources to pay his or her entire account. From November first to [April fifteenth] May first, inclusive, no gas company and no municipal utility furnishing gas shall terminate or refuse to reinstate residential gas service in hardship cases where the customer uses such gas for heat and lacks the financial resources to pay his or her entire account, except a gas company that, between [April sixteenth] May second and October thirty-first, terminated gas service to a residential customer who uses gas for heat and who, during the previous period of November first to [April fifteenth] May first, had gas service maintained because of hardship status, may refuse to reinstate the gas service from November first to [April fifteenth] May first, inclusive, only if the customer has failed to pay, since the preceding November first, the lesser of: (A) Twenty per cent of the outstanding principal balance owed the gas company as of the date of termination, (B) one hundred dollars, or (C) the minimum payments due under the customer's amortization agreement. Notwithstanding any other provision of the general statutes to the contrary, no electric, electric distribution or gas company, no electric supplier and no municipal utility furnishing electricity or gas shall terminate or refuse to reinstate residential electric or gas service where the customer lacks the financial resources to pay his or her entire account and for which customer or a member of the customer's household the termination or failure to reinstate such service would create a life-threatening situation.

(2) During any period in which a residential customer is subject to termination, an electric, electric distribution or gas company, an

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electric supplier or a municipal utility furnishing electricity or gas shall provide such residential customer whose account is delinquent an opportunity to enter into a reasonable amortization agreement with such company, electric supplier or utility to pay such delinquent account and to avoid termination of service. Such amortization agreement shall allow such customer adequate opportunity to apply for and receive the benefits of any available energy assistance program. An amortization agreement shall be subject to amendment on customer request if there is a change in the customer's financial circumstances.

(3) As used in this section, (A) "household income" means the combined income over a twelve-month period of the customer and all adults, except children of the customer, who are and have been members of the household for six months or more, and (B) "hardship case" includes, but is not limited to: (i) A customer receiving local, state or federal public assistance; (ii) a customer whose sole source of financial support is Social Security, Veterans' Administration or unemployment compensation benefits; (iii) a customer who is head of the household and is unemployed, and the household income is less than three hundred per cent of the poverty level determined by the federal government; (iv) a customer who is seriously ill or who has a household member who is seriously ill; (v) a customer whose income falls below one hundred twenty-five per cent of the poverty level determined by the federal government; and (vi) a customer whose circumstances threaten a deprivation of food and the necessities of life for himself or dependent children if payment of a delinquent bill is required.

(4) In order for a residential customer of a gas or electric distribution company using gas or electricity for heat to be eligible to have any moneys due and owing deducted from the customer's delinquent account pursuant to this subdivision, the company furnishing gas or electricity shall require that the customer (A) apply and be eligible for benefits available under the Connecticut energy assistance program or

state appropriated fuel assistance program; (B) authorize the company to send a copy of the customer's monthly bill directly to any energy assistance agency for payment; (C) enter into and comply with an amortization agreement, which agreement is consistent with decisions and policies of the Department of Public Utility Control. Such an amortization agreement shall reduce a customer's payment by the amount of the benefits reasonably anticipated from the Connecticut energy assistance program, state appropriated fuel assistance program or other energy assistance sources. Unless the customer requests otherwise, the company shall budget a customer's payments over a twelve-month period with an affordable increment to be applied to any arrearage, provided such payment plan will not result in loss of any energy assistance benefits to the customer. If a customer authorizes the company to send a copy of his monthly bill directly to any energy assistance agency for payment, the energy assistance agency shall make payments directly to the company. If, on April thirtieth, a customer has been in compliance with the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, during the period starting on the preceding November first, or from such time as the customer's account becomes delinquent, the company shall deduct from such customer's delinquent account an additional amount equal to the amount of money paid by the customer between the preceding November first and April thirtieth and paid on behalf of the customer through the Connecticut energy assistance program and state appropriated fuel assistance program. Any customer in compliance with the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, on April thirtieth who continues to comply with an amortization agreement through the succeeding October thirty-first, shall also have an amount equal to the amount paid pursuant to such agreement and any amount paid on behalf of such customer between May first and the succeeding October thirty-first deducted from the customer's delinquent account. In no event shall the deduction of any amounts pursuant to this subdivision result in a credit balance to the customer's account. No customer shall be denied the benefits of this subdivision due to an error by the company. The Department of Public

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Utility Control shall allow the amounts deducted from the customer's account pursuant to the implementation plan, described in subdivision (5) of this subsection, to be recovered by the company in its rates as an operating expense, pursuant to said implementation plan. If the customer fails to comply with the terms of the amortization agreement or any decision of the department rendered in lieu of such agreement and the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, the company may terminate service to the customer, pursuant to all applicable regulations, provided such termination shall not occur between November first and April fifteenth.

- (5) Each gas and electric distribution company shall submit to the Department of Public Utility Control annually, on or before July first, an implementation plan which shall include information concerning amortization agreements, counseling, reinstatement of eligibility, rate impacts and any other information deemed relevant by the department. The Department of Public Utility Control may, in consultation with the Office of Policy and Management, approve or modify such plan within ninety days of receipt of the plan. If the department does not take any action on such plan within ninety days of its receipt, the plan shall automatically take effect at the end of the ninety-day period, provided the department may extend such period for an additional thirty days by notifying the company before the end of the ninety-day period. Any amount recovered by a company in its rates pursuant to this subsection shall not include any amount approved by the Department of Public Utility Control as an uncollectible expense. The department may deny all or part of the recovery required by this subsection if it determines that the company seeking recovery has been imprudent, inefficient or acting in violation of statutes or regulations regarding amortization agreements.
- (6) On or after January 1, 1993, the Department of Public Utility Control may require gas companies to expand the provisions of subdivisions (4) and (5) of this subsection to all hardship customers. Any such requirement shall not be effective until November 1, 1993.

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(7) (A) All electric, electric distribution and gas companies, electric suppliers and municipal utilities furnishing electricity or gas shall collaborate in developing, subject to approval by the Department of Public Utility Control, standard provisions for the notice of delinquency and impending termination under subsection (a) of section 16-262d. Each such company and utility shall place on the front of such notice a provision that the company, electric supplier or utility shall not effect termination of service to a residential dwelling for nonpayment of disputed bills during the pendency of any complaint. In addition, the notice shall state that the customer must pay current and undisputed bill amounts during the pendency of the complaint. (B) At the beginning of any discussion with a customer concerning a reasonable amortization agreement, any such company or utility shall inform the customer (i) of the availability of a process for resolving disputes over what constitutes a reasonable amortization agreement, (ii) that the company, electric supplier or utility will refer such a dispute to one of its review officers as the first step in attempting to resolve the dispute and (iii) that the company, electric supplier or utility shall not effect termination of service to a residential dwelling for nonpayment of a delinquent account during the pendency of any complaint, investigation, hearing or appeal initiated by the customer, unless the customer fails to pay undisputed bills, or undisputed portions of bills, for service received during such period. (C) Each such company, electric supplier and utility shall inform and counsel all customers who are hardship cases as to the availability of all public and private energy conservation programs, including programs sponsored or subsidized by such companies and utilities, eligibility criteria, where to apply, and the circumstances under which such programs are available without cost.

(8) The Department of Public Utility Control shall adopt regulations in accordance with chapter 54 to carry out the provisions of this subsection. Such regulations shall include, but not be limited to, criteria for determining hardship cases and for reasonable amortization agreements, including appeal of such agreements, for

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categories of customers. Such regulations may include the establishment of a reasonable rate of interest which a company may charge on the unpaid balance of a customer's delinquent bill and a description of the relationship and responsibilities of electric suppliers to customers.

(c) Each electric, electric distribution and gas company, electric supplier and municipal utility shall, not later than December first, annually, submit a report to the department and the General Assembly indicating (1) the number of customers in each of the following categories and the total delinquent balances for such customers as of the preceding April fifteenth: (A) Customers who are hardship cases and (i) who made arrangements for reasonable amortization agreements, (ii) who did not make such arrangements and (B) customers who are nonhardship cases and who made arrangements for reasonable amortization, (2) (A) the number of heating customers receiving energy assistance during the preceding heating season and the total amount of such assistance and (B) the total balance of the accounts of such customers after all energy assistance is applied to the accounts, (3) the number of hardship cases reinstated between November first of the preceding year and [April fifteenth] May first of the same year, the number of hardship cases terminated between [April fifteenth] May first of the same year and November first and the number of hardship cases reinstated during each month from [April] May to November, inclusive, of the same year, (4) the number of reasonable amortization agreements executed and the number breached during the same year by (A) hardship cases and (B) nonhardship cases, and (5) the number of accounts of (A) hardship cases and (B) nonhardship cases for which part or all of the outstanding balance is written off as uncollectible during the preceding year and the total amount of such uncollectibles.

(d) Nothing in this section shall (1) prohibit a public service company, electric supplier or municipal utility from terminating residential utility service upon request of the customer or in

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- accordance with section 16-262d upon default by the customer on an amortization agreement or collecting delinquent accounts through legal processes, including the processes authorized by section 16-262f, or (2) relieve such company, electric supplier or municipal utility of its responsibilities set forth in sections 16-262d and 16-262e to occupants of residential dwellings or, with respect to a public service company or electric supplier, the responsibilities set forth in section 19a-109.
 - (e) No provision of the Freedom of Information Act, as defined in section 1-200, shall be construed to require or permit a municipal utility furnishing electric, gas or water service, a municipality furnishing water or sewer service, a district established by special act or pursuant to chapter 105 and furnishing water or sewer service or a regional authority established by special act to furnish water or sewer service to disclose records under the Freedom of Information Act, as defined in section 1-200, which identify or could lead to identification of the utility usage or billing information of individual customers, to the extent such disclosure would constitute an invasion of privacy.
 - (f) If an electric supplier suffers a loss of revenue by operation of this section, the supplier may make a claim for such revenue to the department. The electric distribution company shall reimburse the electric supplier for such losses found to be reasonable by the department at the lower of (1) the price of the contract between the supplier and the customer, or (2) the electric distribution company's price to customers for default service, as determined by the department. The electric distribution company may recover such reimbursement, along with transaction costs, through the systems benefits charge.
 - Sec. 9. (*Effective July 1, 2006*) The sum of one million dollars is appropriated to the Office of Policy and Management, from the General Fund, for the fiscal year ending June 30, 2007, for the purpose of fulfilling the duties of the Secretary of the Office of Policy and Management pursuant to section 2 of public act 05-2 of the October 25 special session, as amended by section 1 of public act 05-4 of the

445 October 25 special session and this act.

This act sha	all take effect as follows	and shall amend the following
sections:		
Section 1	July 1, 2006	PA 05-2 of the October
		25 Sp. Sess., Sec. 1
Sec. 2	July 1, 2006	PA 05-2 of the October
		25 Sp. Sess., Sec. 2
Sec. 3	April 1, 2006	PA 05-2 of the October
		25 Sp. Sess., Sec. 4
Sec. 4	July 1, 2006	PA 05-2 of the October
		25 Sp. Sess., Sec. 7
Sec. 5	July 1, 2006	PA 05-2 of the October
		25 Sp. Sess., Sec. 8
Sec. 6	from passage	New section
Sec. 7	July 1, 2006	16a-41a(b)
Sec. 8	October 1, 2006	16-262c
Sec. 9	July 1, 2006	New section

ET Joint Favorable Subst. C/R

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